

JUL 11 1960

## Growthmanship-ismanship

In a speech before the national convention of the Junior Chamber of Commerce in St. Louis on June 21, Mr. Nixon accused critics of the Eisenhower Administration of "playing what is rapidly becoming the most fashionable parlor game of our time—a game we might call 'growthmanship'.... The critics of our present economic policies say that the Soviets are achieving their objective of overtaking us. They claim that we are falling behind and in the foreseeable future will become second to the Soviet Union in economic strength. They back this up by citing statistics to the effect that the Soviet economy is growing at a rate of 8 percent a year as compared with our own long-term economic growth, which has been running at about 3 percent a year, and now appears to accelerate toward 4 percent." Mr. Nixon then interpolated that the critics wanted the rate of economic growth stepped up to 5 or 6 percent—the figures used by Rockefeller in his June 8 challenge.

The Vice President threw out these fighting words: "Mr. Khrushchev boasts that he will catch and pass us in seven years. *By any projection that can be applied, there is no possibility that the Soviet economy will overtake our own at any time in this century!*" [italics added]. For this sally, the speaker, a former Jaycee himself, was enthusiastically applauded by the delighted audience. Mr. Rockefeller, however, was not impressed: "I am puzzled and troubled at the fact that so many people who profess to believe in it [our economic system] seem afraid to acknowledge that it is fully capable of matching and outstripping the performance records of competing economies anywhere in the world. The need is for real faith in our system—and action to support it."

Mr. Nixon or his speechwriter seem not to have read or understood, or believed, a published report by the Central Intelligence Agency, dated May, 1960, entitled "Soviet Manpower, 1960-70." This report, showing the changes in population and labor force of the USSR expected to take place between 1960 and 1970, also contains official CIA estimates of the growth of Soviet gross national product (all goods and services produced in the economy) since 1950, with projections to 1970. Measured in constant 1958 dollars, a CIA chart esti-

mates that the Soviet gross national product was about \$120 billion in 1950, will be about \$225 billion this year, and will reach about \$420 billion in 10 years. US gross national product in 1958 was about \$440 billion.

The text at the bottom of the chart, also supplied by CIA, reads as follows: "The continued rise in the level of education and skill of the Soviet labor force, along with progress in technology, should permit productivity to rise 100 percent. Soviet gross national product (GNP) is expected to increase about 6 percent annually during the 1960's, a little more slowly than during the 1950's. GNP per capita and GNP per worker (which is a rough measure of productivity) will increase about 4.5 percent annually. The high rate of increase in GNP should permit consumption per capita to increase substantially. By 1970 the standard of living of the average Soviet worker will be about 40 percent higher than the present level."

According to the chart, Soviet GNP per worker will be about \$2,300 this current year, and about \$3,300 by 1970. Per capita GNP projections for 1960 and 1970 are in the neighborhood of \$1,000 and \$1,800, respectively. (Disposable personal income—generally defined as personal income less personal taxes—would of course be much smaller. Probably somewhat less than one-half of the GNP estimate. Per capita disposable income in the United States in 1959 was \$1,891).

The Soviet Union still has a good long way to go to match living standards in this country, as is shown also by estimates of the US Bureau of Labor Statistics, according to which an average worker in Moscow has to work about three times as long for potatoes as his counterpart in New York, and as much as 16 times as long for a shirt. Even an increase of 40 percent in the average Soviet worker's standard of living by 1970, as projected by the CIA, is bound to leave a gap between him and the average American worker. But for the Vice President by implication to dismiss the manifest momentum of Soviet economic growth is not only